



Canada Border
Services Agency

Agence des services
frontaliers du Canada

PROTECTED A



Drug Analysis Report (DAR) Year-End 2020 (January to December)

Intelligence Collection, Analysis and Production Division
Intelligence and Investigations Directorate

PROTECTION SERVICE INTEGRITY
TY **PROTECTION** SERVICE INT
ÉGRITÉ **PROTECTION** **SERVICE**
INTEGRITY **PROTECTION** SERVI
CE INTÉGRITÉ **PROTECTION** SE
RVICE **INTEG** **PROTECTION**
SERVICE **PROTECTIO**
ON **SE** **PROT**
ECTION **INTÉGRITÉ** **PR**
OTECTION **INTEGRITY**
PROTECTION **INTÉGRITÉ**
TÉ **PROTECTION** **SERVICE** INT
EGRITY **PROTECTION** **SERVICE**
INTÉGRITÉ **PROTECTION** SERVI
CE **INTEGRITY** **PROTECTION** SE



PROTECTION • SERVICE • INTEGRITY

Canada



TABLE OF CONTENTS

Current Trends Overview 3

Forecast Overview 4

Cocaine..... 5

Methamphetamine..... 6

Fentanyl 7

Heroin..... 8

Opium..... 9

Methylenedioxymethamphetamine (MDMA)..... 10

Cannabis 11

Catha Edulis (Khat)..... 12

Precursor Chemicals 13

Drug Analysis Report (DAR) - Notes 14

** The *Notes* page includes abbreviations, time periods and additional information regarding the methodology.

YEAR-END 2020 DRUG ANALYSIS REPORT (DAR)

ENFORCEMENT & INTELLIGENCE OPERATIONS DIRECTORATE

KEY TRENDS

- International organized crime groups (OCG) have been increasingly border lockdown measures and to circumvent any perceived enhanced security.
- Canadian OCGs have well-established global transportation and distribution networks and continue to be involved in all facets of polydrug trafficking. International OCGs have also capitalized on these networks in an effort to use Canada as a transshipment point to highly profitable international markets.
- Increased reporting has led to concerns that the pandemic is magnifying an already toxic drug supply with rising encounters with poly-drug combinations in Canada, particularly with those contaminated with synthetic opioids such as fentanyl.
- Stable domestic access to fentanyl, combined with increasing seizures of precursor chemicals and overseas interdictions of shipments originating from Canada likely indicates a level of domestic production is occurring. Although the fentanyl issue in Canada has evolved from an importation problem to a more significant domestic production problem, it does not preclude the possibility of the consumption market being able to support different supply streams. OCGs are well positioned to meet that demand.

METHAMPHETAMINE

Outbound quantities seized of methamphetamine continue to rise, with the largest shipments

COCAINE

Cocaine seizures have been found through multiple streams, with particular emphasis

TOP MODES & TRANSIT COUNTRIES

OPIOIDS

QTY of HEROIN ↓ **OPIUM** ↔ **FENTANYL** ↑

was the primary mode used for the movement of illicit fentanyl accounting for 99% of the quantities seized.

The number of opium seizures decreased by 16%, while quantities seized significantly increased by 109% compared to 2019.

The decreasing trend observed from 2014 to 2019 ended in 2020, with an increase of 39% in seizure numbers, while quantities were stable at 92 kg (-0.4%) seized compared to 2019 as the top source country, with 46% (42 kg) of quantities seized.

CANNABIS

Marihuana is the most widely used drug across the globe

Production of cannabis has been able to meet demand from consumers, and has resulted in a surplus of cannabis in both legal and illegal markets.

remained the top source country for cannabis products.

top transit/source country for hashish.

Exports were primarily destined for the

Top POE by Quantity

NARCOTIC	#1	#2	#3
Cocaine	1279 kg	1270 kg	1140 kg
Meth	11228 kg	11128 kg	
Fentanyl	4.5 kg	1.6 kg	3.73g
Heroin	67 kg	18 kg	6 kg
Opium	508 kg	77 kg	26 Kg
MDMA	12 kg, 345 d	6.5 kg, 1	2.5 kg, 3179 d

COVID-19 IMPACTS

Cocaine — An increase in cocaine interceptions

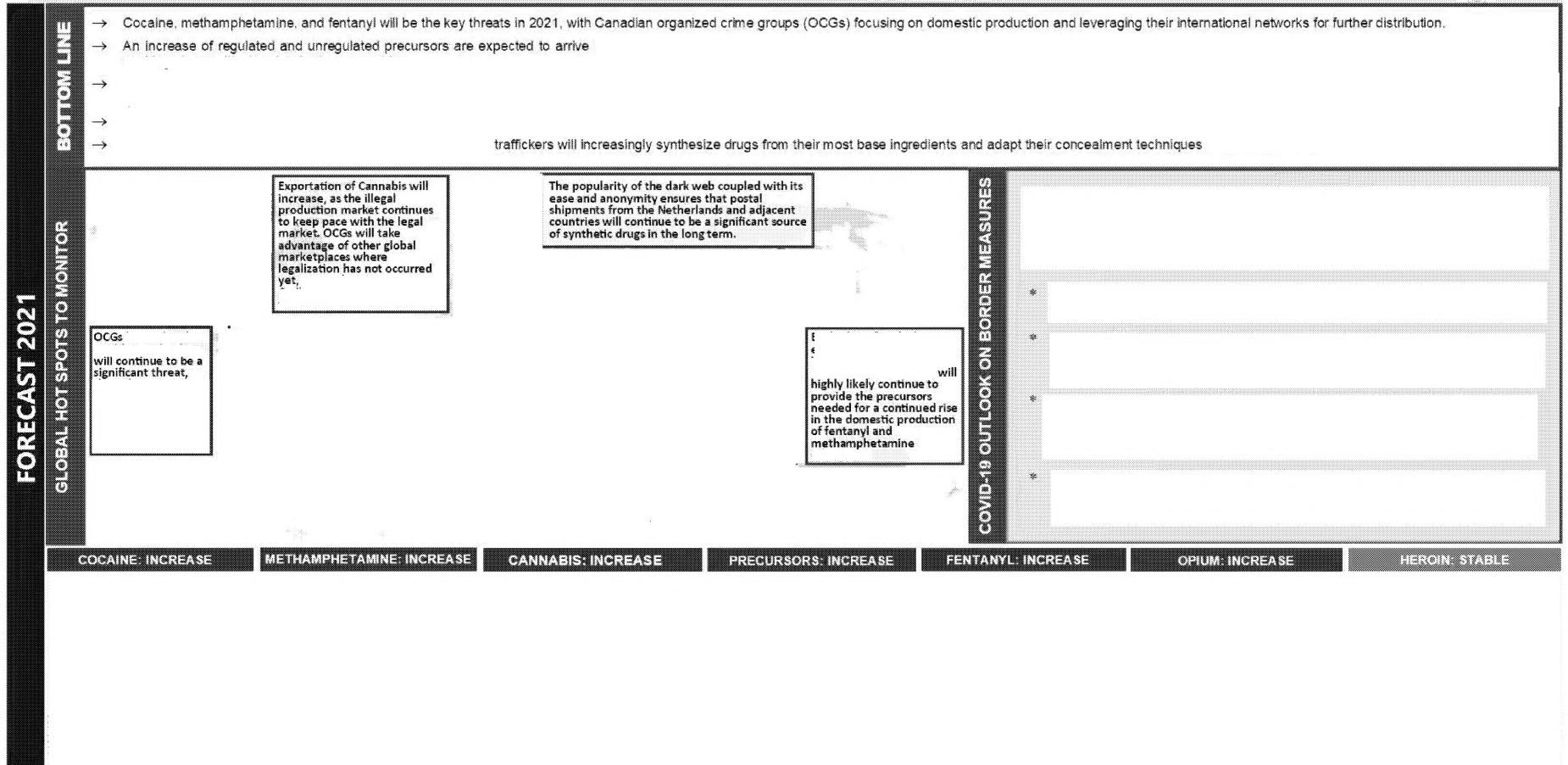
Methamphetamine — From the onset of the pandemic, there has been a significant surge of drug detections exported

Fentanyl — The pandemic has had limited impacts on chemical manufacturing facilities as seizure quantities of fentanyl precursor chemicals were at record levels throughout 2020.

Heroin — As travel restrictions continue, traffickers

Cannabis — Lockdown measures have created less opportunities in recreational settings, and negative economic consequences stemming from the pandemic, is likely driving an increased demand for cannabis.

DRUG	Year-End 2020: Quantities	Year-End 2019: Quantities
Cocaine	1,157 kg	1,406 kg
Methamphetamine	881 kg	538 kg / 122 d
Fentanyl	1.6 kg / 4.5 L	80 g
Heroin & Opium	751 kg	407 kg
MDMA	26 kg / 5,418 d	12 kg / 3,608 d
Cannabis	6,115 kg / 2,425,159 d / 69 L	1,158 kg / 524, 583 d
Khat	17,371 kg	19,093 kg
Precursor Chemicals	512 kg / 636 L / 1,540 d	14 kg / 3,073 L / 9,901 d





COCAINE

FORECAST 2021



Year-End 2020				TOP 3 POES		MAIN TRANSIT POINTS		Year-End 2019			
BY MODE		BY REGION						BY MODE		BY REGION	
KG	#	KG	#	KG	# of SEIZURES	2020	2019	KG	#	KG	#

ANALYSIS

ANALYSIS: The quantity of cocaine seized in 2020 decreased (-17%), with 69% of packages weighing less than 100g, while cocaine seizures remained relatively stable (-6%) compared to 2019 figures. Large shipments remained consistent, with 843 kg of the total seized credited to eight large seizures ranging from 20 kg to 255 kg. Cocaine seizures have been found through multiple streams, with particular emphasis on the largest seizure occurred.

quantities seized followed by (35%), (5%), and (<1%). The largest seizure occurred in the top transit countries accounting for 46% of the

cocaine seizures continue to rise, An influx of many, are attributed to Additionally, 4% of the total quantity seized (< 1 kg) but for 49% of the number of cocaine seizures, likely derived from sales which has continued to rise in popularity. continues to be a transit country, as a total of 7 kg were seized outbound, with 83% of

SUPPLY AND DEMAND FACTORS: Cocaine remains the most widely used stimulant drug by the Canadian population, with most usage associated to consistent price margins, rising availability at the street level, as well as the perception of trust in cocaine's composition and purity. These factors have led to heightened demand for cocaine, with the pandemic shifting more users towards drug use, and highlighting the flexibility of the cocaine trafficking groups as they maintain availability of product worldwide. Early 2020 productions supply reaching record highs, indicating many of the governmental crop eradication programs and bush cultivation authorities did not curb cultivation efforts. This influx of planting has led to a cut to costs for the duration of the year; however, had only minor impact to the overall cost of cocaine worldwide, with OCGs likely profiting from this change in cultivation. have continued to demonstrate this consistent investment into cocaine trafficking, as they develop new transit methods, and continued efforts to traffic cocaine throughout OCGs modus operandi has shifted from smaller, quicker shipments, to moving larger shipments less often. Cocaine is also suspected to be departing from

FORECAST: Cocaine quantities seized will likely increase based on consistent rates of domestic use and on high supply coupled with flexibility of trafficking groups using a variety of transit methods and routings. Large-scale shipments will likely continue to be trafficked, while mitigating risk from fluctuating border restrictions caused by the pandemic. will likely remain a top region for trafficking cocaine

the ability to move larger quantities with less visibility. An increase in smaller quantities is expected as OCGs are operating at maximum capacity by providing a safer option to distribute large amounts of cocaine in



METHAMPHETAMINE

FORECAST 2021



Year-End 2020						TOP 3 POES		MAIN TRANSIT POINTS		Year-End 2019					
BY MODE			BY REGION							BY MODE			BY REGION		
KG	D	#	KG	D	#	KG / dosage	# of SEIZURES	2020	2019	KG	D	#	KG	D	#

ANALYSIS

ANALYSIS: In 2020, methamphetamine seizure numbers decreased (-20%) while quantities increased (64%) in kilograms and decreased (-33%) in doses (pills), compared to 2019. Methamphetamine seizures were primarily encountered (57%), accounted for the largest quantities seized at 40%, attributed to a significant increase in seizures accounting for 37% of the overall quantities and a 367% increase compared to 2019. From the onset of the COVID pandemic, there has been a significant surge of drug detections exported out of G1A. The top source countries for methamphetamine entering Canada continues (40%) (22%). While there were few seizures of methamphetamine originating directly (3), mostly of small quantity, indicative of personal consumption. CBSA have previously assessed continue to utilize as a key source country in the number of seizures (23%) to facilitate the sale and distribution of illicit drugs and

SUPPLY AND DEMAND FACTORS: Methamphetamine remains one of the most popular illicit substances in Canada. Much of the methamphetamine available in Canada originates and while domestic production of the drug occurs at much lower levels than have been encountered by domestic law enforcement in 2020. Methamphetamine is simple to produce with hundreds of recipes available online and the tools and chemicals are available domestically. According to the Canadian Centre on Substance Use and Addiction, the pandemic response measures are anticipated to alter patterns of drug use such as the harmful practice likely used to increase toxicity and profits. Recent reports have also show opioid users are increasingly using stimulants like crystal meth, for fear of fentanyl overdoses. The pandemic has affected the methamphetamine markets with price fluctuations at the wholesale and retail levels. In Canada, COVID-19 has had a limited impact on the overall supply of precursor chemicals and traffickers likely capitalized on the pandemic to drive-up prices to increase profits and to gain access to profitable markets

FORECAST: Quantities of methamphetamine seized are expected to increase in 2021, OCGs seeking to expand their markets, a rise in global production sites, and a sustained demand within Canada. Smuggling will be carried out through various means, with an emphasis will continue to dominate methamphetamine seizures, existing trafficking routes

Exports are to continue with high certainty while pandemic restrictions persist, as OCGs retain business connections and are able to turn consistently lucrative profits. The current pattern of exportation of methamphetamine will likely be influenced by the influx of production taking place



FENTANYL

FORECAST 2021



Year-End 2020						Year-End 2019					
BY MODE			BY REGION			BY MODE			BY REGION		
G	D / M / L	#	G	D/L	#	G	D	#	G	D / L	#

ANALYSIS											
<p>ANALYSIS: In 2020, the CBSA recorded a 41% (13) decrease in fentanyl seizure numbers while quantities in grams and millilitres significantly increased by 1636% and 2975% respectively when compared to 2019. The increase in seizure quantities is attributed to two significant seizures which combined account for over 99% of the total quantities seized. The significant seizure consisted of 4.5 litres of cyclopropylfentanyl. The large seizure was intercepted consisting of 1.64 kg of fentanyl recorded the largest overall number of encounters at 31% respectively, consisting of small, likely personal use quantities. While only one significant seizure occurred</p> <p>While fentanyl import seizures decreased in 2020, fentanyl precursor chemical imports rose. Combined with increasing international customs seizures of fentanyl from Canada and several fentanyl clandestine labs discovered by Canadian law enforcement, domestic fentanyl production and exporting has become a significant concern.</p> <p>SUPPLY AND DEMAND FACTORS: In 2020, fentanyl continues to be the primary synthetic opioid consumed in Canada, contributing to the increasing number of fatal overdoses. Canada's opioid crisis has worsened during the pandemic as a result of an increasing, highly toxic, drug supply and reduced access to health and social services. According to the Public Health Agency of Canada, 75% of accidental opioid-related deaths in Canada involved non-pharmaceutical fentanyl or fentanyl analogues. An increase in illicit substance dependencies likely surfaced due to financial hardships and stressors experienced in Canada from pandemic lockdown measures with fentanyl representing the largest portion of all opioids seized by domestic law enforcement. The Canadian fentanyl market is likely mostly supplied by domestic clandestine labs. Although the fentanyl issue in Canada has evolved from an importation problem to a more significant domestic production problem, it does not preclude the possibility of the consumption market being able to support different supply streams. OCGs are well positioned to meet that demand. Public health service providers and laboratory services have also reported a significant increase in mixtures, including with new emerging opioids such as isotonitazene and buprenorphine, two substances that are structurally different from fentanyl but with similar potency. This indicates users are receptive to different mixtures of such drugs, possibly due to different affordability options of the various available substances. The use of synthetic opioids as an adulterant, primarily fentanyl, has created a highly toxic drug market across Canada. In 2020, fentanyl was most commonly encountered mixed with heroin but has also been found mixed with cocaine, methamphetamine, MDMA, benzodiazepines, and other adulterants.</p> <p>FORECAST: As Canada experiences a continued demand for opioids, fentanyl import seizures are expected to increase using the existing trafficking routes for cocaine and methamphetamine. Fentanyl is also expected to increase OCGs remain a significant source of fentanyl, producing large, commercial sized volumes likely driven by their existing partnership criminal networks for precursor chemicals supply and production. This importation into Canada will remain vital until domestic production of fentanyl can be stabilized to meet Canadian demand, hinging on the existing relationship Canada's ability to source the precursors necessary for production, similar to patterns experienced with methamphetamine. Given the continued availability of fentanyl and other opioids will most likely continue enable a global trade in fentanyl and other opioids, including diversion from pharmaceutical manufacture, clandestine production, and prescription medication.</p>											



HEROIN

FORECAST 2021



Year-End 2020				TOP 3 POES		MAIN TRANSIT POINTS		Year-End 2019			
BY MODE		BY REGION						BY MODE		BY REGION	
KG	#	KG	#	KG	# of SEIZURES	2020	2019	KG	#	KG	#

ANALYSIS

ANALYSIS: The decreasing trend observed from 2014 to 2019 ended in 2020, with an increase of 39% in seizure numbers, while overall quantities remained stable at 92 kg (-0.4%) seized across the country. A single seizure was larger than the next eleven seizures combined accounting for 40% of the overall quantities seized. Most seizures (73%) occurred in the second half of 2020, between June and December, likely the result of traffickers adjusting to the COVID-19 pandemic response measures. accounted for more than 99% of all heroin quantities seized in 2020 and 54% of the seizure numbers (28%) (10%). used accounting for 80% (73 kg), recorded 17% (16 kg) with the largest quantity seized prior to travel restrictions. While accounting for respectively 66% (133) and 17% (35) of the seizure numbers, were only responsible for 3% of all quantities seized in 2020. The influence of OCGs helped strengthen the rise of the to supply heroin to Canada as the bulk of CBSA seizures and quantities transited emerged as the top source country, with 46% (42 kg) of quantities seized and 9% (19) of seizures recorded. Excluding the single seizure would have been the top transit point for more than 80% of all heroin seizure quantities. As the COVID-19 travel restrictions continue, heroin traffickers in

numbers from other key transit points, including (833%) : (400%); however, quantities seized decreased sharply (-91%) and remained stable (5.6 kg). Officers recorded a significant increase in seizure its share of the Canadian market remained marginal (0.1%) with most heroin seized

SUPPLY AND DEMAND FACTORS: remains the world's largest producer of opium and continues to dominate the Canadian heroin market despite the heroin market continuing to be displaced by fentanyl. According to Health Canada's Drug Analysis Service (DAS), in 2020, heroin was the 5th most identified controlled substance in exhibits submitted behind methamphetamine and cocaine respectively. Heroin feed the Canadian supply but to a much lesser extent In 2020, led a large operation targeting heroin traffickers, which has likely contributed to the major decrease in volume seized

Public health analysis demonstrated the now -broad use of fentanyl mixed with heroin increased the number of fatal overdoses and significantly contributing to the ongoing North American opioid crisis. Between 2012 and 2017, 50% of heroin samples analyzed in Canada contained fentanyl, while in 2019, the samples reached 69%, according to Health Canada with the upward trend continuing in 2020. While COVID 19 initially impacted the ability of OCGs to traffic heroin to Canada, particularly this no longer appears to be a challenge for traffickers.

FORECAST: Heroin seizures and quantities are likely to remain stable in 2021 based on a continued migration of heroin users to alternative opioids, indicating a continued shift from heroin importation into Canada. Heroin trafficking for export to Canada is expected to continue.

the largest shipments are expected to arrive destined for markets in Canada Until non-essential travels resumes and given that heroin remains a lucrative market Officers will continue to see an increase i with amounts consistent with personal use.



OPIUM

FORECAST 2021



Year-End 2020				TOP 3 POES		MAIN TRANSIT POINTS		Year-End 2019			
BY MODE		BY REGION						BY MODE		BY QUANTITY	
KG	#	KG	#	KG	# of SEIZURES	2020	2019	KG	#	KG	#

ANALYSIS

ANALYSIS: In 2020, the number of opium seizures decreased by 16%, while quantities seized significantly increased by 109% compared to 2019. The increase in quantities is mainly due to a single large record breaking seizure of 507 kg in a shipment from India, which accounted for 77% of the total quantities seized. While the CBSA recorded only one seizure in 2020, India remains the top transit point for opium to Canada accounting for 69% (123) of the seizures, the majority of which were intercepted. In addition to India's own poppy cultivation, India remains the top transit point for global distribution. Its growing pharmaceutical industry also allows easier access to necessary precursor chemicals to process opium into heroin before being trafficked. Several significant seizures originated from India, highlighting the continued (76%) (7%) modes recorded the most frequent encounters with opium despite a combined 59% decrease in quantities compared to 2019.

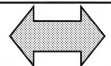
SUPPLY AND DEMAND FACTORS: India continues to be the top opium producing country supplying the Canadian opium market and having accounted for approximately 84% of global opium production over the past five years. While the UNODC have reported declines in opium poppy cultivation since 2018, the levels of production continue at levels high enough to supply most of the global opium markets. In addition, the price of opium has increased. According to the UNODC, opium prices started falling in March 2020 at the onset of global pandemic response measures and the heroin prices at the beginning of 2020 also decreased resulting in increased interest from opportunistic smugglers. Opiate use in Canada remains high; however, synthetic opiates has significantly increased in popularity since the onset of the opioid crisis. As a result of opium production fluctuations, increased law enforcement interceptions and pandemic response measures, traffickers are likely stockpiling opium along the supply chain, thus ensuring a continued supply of opium and/or heroin is available for the consumer markets.

FORECAST: Opium quantities are likely to increase in the first half of 2021 based on the oversupply and low prices from the 2020 harvesting season which experienced earlier challenges in global distribution due to pandemic-related border restrictions and lockdowns. While the majority of opium is grown and processed in India, the pandemic conditions have done little to curb its production, and has retained its status as a lucrative business for locals by way of socio-economic needs. India will remain top transit countries to Canada through its shipments. India is expected to occur in consideration of their geographic proximity as strategic locations to global markets which can be used to launch opium shipments to Canada. The increasing popularity of the mixture of fentanyl and heroin will potentially fuel OCGs' demand for opium for domestic refinement into heroin. However, this will be dependant on the availability of essential chemicals necessary for the production of heroin and the profitability of this investment by Canadian OCGs versus smuggling heroin.



METHYLENEDIOXYMETHAMPHETAMINE (MDMA)

FORECAST 2021



Year-End 2020						TOP 3 POES		MAIN TRANSIT POINTS		Year-End 2019					
BY MODE			BY REGION							BY MODE			BY REGION		
KG	D	#	KG	D	#	KG / dosage	# of SEIZURES	2020	2019	KG	D	#	KG	D	#

ANALYSIS

ANALYSIS: In 2020, seizures of MDMA (also known as ecstasy) declined by 15%, however, quantities seized increase in grams and doses by 117% and 50% respectively when compared to 2019. The decrease of seizures in parallel to the significant increase in quantity could be explained by disruptions in transportation options worldwide due to the COVID-19 pandemic response measures. With fewer transportation options combined with increasing demand, fewer shipments were encountered but with larger quantities, a trend also observed with other drug shipments. There was six significant seizures (over 1 kg) that represented two-thirds of MDMA quantities seized in 2020. The remaining seizures were low weight consistent with personal consumption or small-scale trafficking, likely from illicit online marketplaces. which is largely unaffected by the global pandemic, remained the primary mode used to smuggle MDMA to Canada.

MDMA to Canada accounting for 55% (17 kg) of the quantities seized. countries continues to be the overhelming source country of using MDMA exports significantly increased in 2020 with only 327 g seized in 2019 to more than 10 kg seized in 2020. Of the total export quantities seized, 84% (8.5 kg) were from three shipments traffickers

SUPPLY AND DEMAND FACTORS: Domestic usage of MDMA remains stable and limited to a level ranging from 0.7% to 1% of the population, in fourth place behind alcohol, cannabis and cocaine-based products. Reporting in Canada noted increasing instances of MDMA found mixed with fentanyl, methamphetamine, cocaine, ketamine, and many other illicit substances. Canada continues to be a producer of MDMA, a large portion of which is likely feeding the domestic market. According to the UN Commission on Narcotic Drugs, there are new emerging precursors used to manufacture MDMA, notably "3,4-MDP-2-P methyl glycidic acid", now widely used. According to preliminary data, there was no seizure of known MDMA precursors in Canada in 2020 except for a seizure of 2,3 kg of safrole in September. An ICAP assessment has warned that the current global pandemic could lead to an increase in illicit substance dependencies due to financial hardship, emotional weight and other stressors experienced in Canada. Recent studies have highlighted MDMA as a remedy to treat conditions such as anxiety and post-traumatic stress disorder. As pandemic fears continue to amplify, it is likely some individuals will look to self-medicate and obtain their supply through illicit markets, similar to the trend of increased importation of ephedrine-based medications.

FORECAST: MDMA quantities will remain stable in the following year, based on Canadian demand and ease of access to global supply at a lower cost via online purchases. These conditions will be heightened further once restrictions linked to the night-time economy and social gathering are able to resume. will continue to be the top sources of MDMA shipments to Canada, producers play an important role in the global supply and production of MDMA. will continue to be the primary method used to traffic MDMA to Canada followed by

This availability at a lower cost will likely act as a driver for Canadian OCGs to shift from domestic production to importation of MDMA given the challenges encountered in procuring precursors due to various pandemic-related restrictions. As a result, an increase in export seizure of MDMA is likely in 2021 to markets linked to Canadian OCGs possibly in exchange for other drugs.



CANNABIS

FORECAST 2021: Edibles, Topicals, Oils



**Data integrity issues exist with cannabis interdictions (seizures & forfeitures). All figures should be interpreted as approximate.

** Figures in the charts exclude cannabis input into ICES under both the "other controlled drugs" and "export control" categories. Cannabis input under the export control category are included in the analysis.

Year-End 2020 BY MODE			CANNABIS CATEGORIES	MAIN TRANSIT POINTS		Year-End 2019 BY MODE		
KG	D/L	#		2020	2019	KG	D	#

ANALYSIS

ANALYSIS: Cannabis has been encountered and while there were less interdictions than the previous year, the quantities seized have risen significantly, indicating a shift in practices by consumers, retailers, and OCGs. In 2020, overall cannabis seizure numbers have decreased by 17%, however, quantities have increased significantly by 428% in kilograms, 362% in dosages, and 10% in litres from their 2019 figures.

Synthetic cannabinoids continue to be transported in small quantities, continuing the emerging pattern from 2019. Seizures of CBD and THC based oils and topical creams represented a majority of the imported non-solid cannabis products (i.e. topicals, oils, etc.), with quantities indicative of intent for personal use and consumption. Cannabis products continued to be seized originating from multiple various countries worldwide, with the majority of seizures remaining the top source country within all cannabis categories, in all modes, as the top transit/source country for hashish. Exports over 1 kg represented 48% of the cannabis quantities seized, with the majority composed of dried or fresh marijuana, primarily shipped in quantities indicative of purchase (<0.5 Kg). Exports of cannabis products, including marijuana, continue to be destined to markets where recreational use is either illegal or tolerated, in similar to the patterns experienced in 2019.

SUPPLY AND DEMAND FACTORS: The Government of Canada legalized recreational cannabis (dried cannabis, plants, seeds, and oils) on October 17, 2018 and on October 17, 2019, regulations were amended permitting the production and sale of cannabis edibles, extracts and topicals. Since then, the Canadian legal cannabis market has struggled to find balance with consumer demand as a result of supply chain instability, consumer safety, and cost of product. Within the previous year, many of the concerns have been mitigated, as the government has provided more retail locations, online ordering, and cost reductions. This increased access to product has additionally been aided by home cultivation by consumers. These have been powerful influences, as the production of cannabis has been able to match demand from consumers, and has resulted in a surplus of cannabis in both legal and illegal markets. Early figures within the year indicate that more Canadians are continuing to utilize legal sources for procurement, as they offer ease of purchase as well as relative safety within the product itself. Data suggests that the larger cannabis import threat exists within online facilitation, where online orders for cannabis products (mostly CBD oil and hemp oil, and or lotions containing these products) are being fulfilled by sellers in other countries, and then illegally shipping into Canada.

FORECAST: Cannabis will almost certainly remain the most prevalently used drug in Canada, and Canada will continue to be a significant source country for global exportation. Currently, Canadian supply has out-produced domestic demand, creating consistent pricing and ease of access for domestic consumption to cannabis products. As legalization continues, it is likely that OCGs will continue to infiltrate the licit markets as a mean to cultivate access to product that can then be sold in the illicit markets. Importation of dried/fresh cannabis will remain less common, with the majority of the importation relying on postal ports of entry of cannabis-derived products such as oils, topicals, and edibles. Cannabis exports will continue, given the consistent global demand for Canadian marijuana, restrictive drug laws abroad, and ease of access from Canadian-based suppliers, will likely remain consistent, as OCGs looking to continue profits expand. Still awaiting action on legalization or decriminalization.



CATHA EDULIS (KHAT)

FORECAST 2020



Year-End 2020				TOP 3 POES		MAIN TRANSIT POINTS		Year-End 2019			
BY MODE		BY REGION						BY MODE		BY REGION	
KG	#	KG	#	KG	# of SEIZURES	2020	2019	KG	#	KG	#

ANALYSIS

ANALYSIS: 2020 saw a decline in the number of seizures and in quantities seized by 27% and 9% respectively compared to 2019. The decrease can be explained by the drop in seizures from industrialized source countries, (-46%) (-98%). The decrease in seizures (4 interceptions in 2020 compared to 45 in 2019), which contributed in part to the overall decrease, is likely attributed to the decline of khat as a result of the pandemic, likely contributing factor to the decrease in CBSA seizures throughout 2020. This is likely attributed to different sets of actions to counter drug trafficking and to dismantle criminal networks in the region. For instance in 2020, authorities increased law enforcement operations on key criminal trafficking networks operating in the country, dramatically reducing khat trafficking a historically global hub of production and trafficking of khat. Last year, CBSA officers recorded 106 khat seizures confirming a trend seen in 2019, seizures continued to rise significantly in 2020, accounting for approximately 90%. The three major exporters of 2019 saw their exportations rise in 2020 (increase of 9%, 29% and 28%, respectively). However, exportations dramatically declined (less than 8%). Khat is often consumed in Canadian diaspora communities which is consistent with what CBSA's 2020 seizures indicate. While the use of accounted for nearly a fifth of khat seizures and quantities seized in 2020, remains the primary conveyance type used for trafficking khat into Canada (95% of seizures and 79% of quantities seized) with the majority of seizures recorded

SUPPLY AND DEMAND FACTORS: Khat is mostly used by communities for cultural reasons. Those regions also produce most of the khat in global circulation. While illegal in Canada and in most Western countries, khat importations are frequently destined for communities with large populations with ties to those regions. Because of its strategic geographic position and its status in transcontinental trade, continues to assume the position as the prime transit country for khat exportation despite the fact that the country does not produce khat and does not include a significant consumer market. With the consumption of khat being legal, to assume a primordial role for importation and exportation of khat. As reported by several media there are rising cases of seizures from young and often minor individuals traveling countries with significant amount of khat, either for personal consumption or having been recruited by organized crime networks to smuggle khat. remains the primary source country for production and exportation of khat however, deteriorating conditions such as the economic downturn, COVID responses and the increased civil tensions between the central government and the autonomous authorities could impact khat trafficking to Canada.

FORECAST: Khat quantities seized will likely increase in 2021 once pandemic-related social gathering restrictions are gradually lifted and social/cultural consumption is resumed. This renewal of consumption will refuel demand for khat, and ensures that cultivation in the primary harvest countries, remains continuous and profitable. It is very likely will remain the top source and transit countries of khat, with shipments largely arriving. Once border restrictions ease globally, will likely re-emerge as a top transit country given any unforeseen plans for making khat illegal in the country, since it has deep cultural ties and support within community, creating a lucrative opportunity for criminals for overseas markets.



PRECURSOR CHEMICALS

FORECAST 2020



Fentanyl Precursors



Meth Precursors

Year-End 2020	DRUGS MANUFACTURED WITH THE PRECURSORS SEIZED	Year-End 2019
QUANTITY and # of SEIZURES		QUANTITY and # of SEIZURES

ANALYSIS

ANALYSIS and SUPPLY/DEMAND FACTORS: In 2020, the CBSA recorded a 70% increase in overall precursor chemical seizure numbers compared to 2019. While the COVID-19 pandemic limited access to different types of drugs, stable access and demand have been reported for opioids, gamma-hydroxybutyric acid (GHB) and methamphetamine likely indicating a level of domestic production is sustaining the supply in Canada. Seizure quantities of precursor chemicals intended for the production of fentanyl saw the highest increase overall from approximately 20 kg in 2019 to over 723 kg in 2020. 4-Piperidone was the primary fentanyl precursor encountered accounting for 41% of the overall precursor chemical quantities seized intended for Canada. Seizures of Propionyl Chloride also significantly increased from 0.5 L in 2019 to 233 L. The increase is attributed to a 200 L seizure that was seized operations. N-phenyl-4-piperidinamine (4-AP) seizures remained stable compared to 2019; however, there was a significant increase in encounters with unregulated pre-precursors such as T-BOC-N-Phenylpiperidine-4-amine (T-BOC-4-AP) and 2-bromoethylbenzene, both of which can be used to produce fentanyl. There are varying degrees of evidence to support the current production of fentanyl within Canada, the ease with which fentanyl precursors and pre-precursors, laboratory equipment, and recipes can be obtained is contributing to the ongoing opioid crisis. All but one of the fentanyl precursor chemical seizures originated used as the primary transportation method in 2020. Precursor chemicals used in the production of GHB saw an increase in seizure numbers by 39%. Quantities of 1,4-butanediol (BDO) increased from 1.5 L to 8.5 L, while quantities of gamma butyrolactone (GBL) decreased by 46% compared to 2019. Successful take downs of GHB clandestine labs indicate domestic production of GHB is occurring; however, both precursors can be readily converted to GHB upon ingestion making it difficult to assess the extent of domestic processing. Seizures of ephedrine and pseudoephedrine, known methamphetamine precursors, together saw an increase in seizure numbers (43%), quantities in grams (532%) and in doses (312%) compared to 2019. Export seizure numbers and quantities accounted for 34% and 26% respectively with the majority exported out destined Inbound shipments accounting for 63% of the quantities seized. In addition, over 3 L of 1-Phenyl-2-propanone (P2P) was also seized originating The pandemic has not significantly impacted the production of methamphetamine in Canada, with the exception of some initial reported shortages in precursors due to sudden closures of Canadian chemical production facilities in the early months of 2020. remain the primary source/ transit countries of precursor chemicals accounting for 90% of CBSA precursor chemical quantities seized. Despite pandemic controls and increased law enforcement efforts, OCGs continue to adapt by finding alternative smuggling methods or dual use chemicals to continue production of illicit drugs.

FORECAST: An increase of regulated and unregulated precursors and pre-precursors are expected in 2021, in an effort by Canadian OCGs to support ongoing domestic production of fentanyl, methamphetamine, MDMA and GHB. Officers are expected to encounter large quantities of the unregulated T-BOC-4-AP for the domestic production of fentanyl. Imports of regulated ephedrine, pseudoephedrine and P2P for methamphetamine production as well as MDP2P and safrole for MDMA production are also expected to increase to support domestic production. Precursor chemicals will highly likely continue to arrive with some transiting primarily However, shipments are also likely as OCGs are reportedly expanding their sources of supply OCGs are continuously researching and experimenting with chemical synthesis involving internationally unregulated chemicals to minimize risk of shipment interdiction at the border by exploiting legislative and regulation gaps. With greater sophistication and access to scientific expertise, traffickers are increasingly synthesizing drugs from their most base ingredients.



Drug Analysis Report (DAR) - Notes

The following report will provide statistical information on each of the main categories of drugs seized by the CBSA, coupled with trend analysis, examination of supply and demand factors as well as forecasts for 2021. All data was extracted from the Integrated Customs Enforcement System (ICES). Some 2019 data is captured in 2020 seizure numbers and quantities. The following is an explanation of some of the key terms used for each category of drugs:

Modes

Regions

Other Terms

Drug Enforcement Agency (DEA)
 United States Customs and Border Protection (U.S CBP)
 Organized Crime Group (OCG)
 Port of Entry (POE)
 United Nations Office on Drugs and Crime (UNODC)
 Intelligence Collection, Analysis and Production Division (ICAP)
 Royal Canadian Mounted Police (RCMP)
 Kilograms (kg)
 Grams (g)
 Doses (d)
 Litres (L)

Main Transit Points

Ranking criteria is based on intelligence and the percentage of quantities seized from a country out of total quantities seized.

Time Periods

Year- End 2020 – January 1 to December 31, 2020

Information Regarding DAR Data

Information for this report was retrieved from ICES for the period of January 1st, 2020 to December 31, 2020. Subsequent changes to 2020 data in the system were not captured.

For the purposes of this report, countries found in the "Transit" category may also be origin countries in some instances. The lists are based on ICES point of origin.

Modes were determined based on the POE. For POEs where the mode was unclear, closer analysis was done in order to determine in which mode the drugs were seized.

Methamphetamine numbers include methamphetamine seized in powder and crystal form. All original units of measure are referenced as reported in ICES. Reporting on fentanyl was done in grams or litres on the fentanyl page, given that shipments are usually reported in grams or litres due to the high potency of the drug.

New ICES categories were introduced in October 2018 to capture dried and fresh cannabis, cannabis seeds, solids, non-solids, concentrates, and synthetic cannabis. Prior to cannabis legalization, some of these cannabis substances were input into ICES under the "other controlled drugs" category. The 2020 year-end interdiction figures in the chart do not include outbound interdictions input into ICES under the "export control" category, however these figures were discussed in the analysis section. The word "interdiction" has been chosen to encompass instances where officers either seized or forfeited cannabis.

Prepared by: M-F.L., C.C., M.H, C.S, D.P – Contraband Intelligence Section and the Strategic Intelligence Section - Intelligence Collection, Analysis and Production Division